Procurement Policy

Michaela Community School

Approved by:	Chidi Amadi Chair of Governors and Katharine Birbalsingh
Last reviewed on:	December 2021
Next review due by:	December 2022

Contents

1. Purpose 2
2. Legislation and statutory guidance 3
3. Overview of Procurement Processes and Purchase Thresholds 3
4. Tendering Procedure without Framework Agreements 4
5. Framework Agreements 5
6. Monitoring arrangements 5
7. Links with other policies 5
Appendix 1 6

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1. Purpose

1.1 The Trust is committed to ensuring that all procurement processes in place are robust enough to ensure that MCS:

a) achieves Value For Money (VFM) in all procurement decisions

b) can demonstrate regularity in its use of public funds (all expenditure should be compliant with relevant legislation)

c) can demonstrate propriety in its use of public funds (expenditure should be for educational purposes and spending decisions transparent); and

d) remains compliant with the ESFA's Academies Finance Handbook and its funding agreements with the Department for Education (DfE).

All funding received by MCS regardless of its source is public money and is therefore subject to this policy. MCS staff should exclude themselves from any procurement exercise involving a related party (such as a close friend, family member or business interest) after the specification stage of the process.

1.2 The purpose of this policy is to:

a) provide MCS staff with information and guidance regarding effective and compliant procurement

b) establish clear procedures for the procurements of goods and services, based on the expected value of a purchase; and

c) set out MCS' scheme of delegation for the approval of expenditure

1.3 Value for Money (VFM) is defined by the Academies Financial Handbook as:

Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.

MCS staff should endeavor to secure VFM by ensuring their purchases are:

Effective – Prior to embarking on the process, staff must establish the required outcome of the process in order to identify the most appropriate goods or services to be obtained.

Economic – Staff must secure the appropriate quality of goods or services whilst minimising the cost. This is most clearly evidenced through the use of an approved MCS preferred supplier and by obtaining a number of quotes.

Efficient – Staff must consider the efficiency of their purchases and ensure efficient use is made of other MCS resources such as staff time.

1.4 Budget holder approval must be sought in advance of entering into any procurement process. See Appendix 1.

2. Legislation and statutory guidance

This policy is based on:

DfE Buying for Schools Guidance: https://www.gov.uk/guidance/buying-for-schools

ESFA Academies Financial Handbook: https://www.gov.uk/guidance/academies-financial-handbook

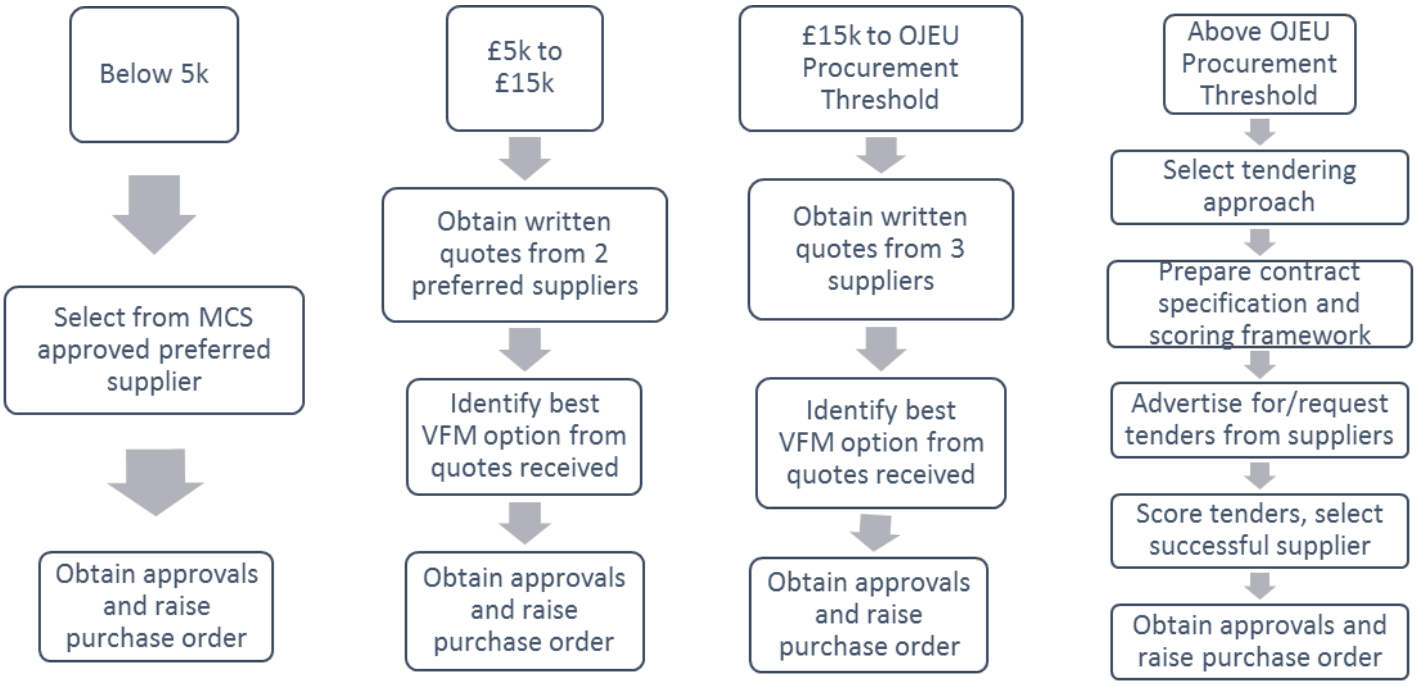
This policy also complies with our funding agreement.

3. Overview of Procurement Processes and Purchase Thresholds

3.1 MCS will adopt one of the following four procurement processes (A-D), depending on the value of goods or services being purchased. It is crucial to clearly identify the desired outcome of a purchasing exercise at the outset to ensure the right goods or service is ultimately procured.

A – Low Value – Below £5k
B – Medium Value – £5k-£15k
C – High Value – £15k-OJEU Procurement Threshold
D – Tender – Above OJEU Procurement Threshold

Identify the business need, required outcome of purchase and availability of budget. Draft a proportionate project specification of goods/services required.


Below 5k
Select from MCS approved preferred supplier
Obtain approvals and raise purchase order
£5k to £15k
Obtain written quotes from 2 preferred suppliers
Identify best VFM option from quotes received
Obtain approvals and raise purchase order
£15k to OJEU Procurement Threshold
Obtain written quotes from 3 suppliers
Identify best VFM option from quotes received
Obtain approvals and raise purchase order
Above OJEU Procurement Threshold
Select tendering approach
Prepare contract specification and scoring framework
Advertise for/request tenders from suppliers
Score tenders, select successful supplier
Obtain approvals and raise purchase order

Place order with approved supplier and retain all of the evidence from the procurement process electronically

As at 1st January 2021 the OJEU procurement threshold for 2020/21 was set at £189,330 for supply and services and £4,733,252 for works.

3.2 Where more than one quote has been obtained, staff should select the lowest cost where their quote fully meets the procurement specification at stage one.

3.3 The lowest value quote which meets the project specification must be selected, however no work should be commissioned until the appropriate approval has been obtained (see Appendix 1 for scheme of delegation).

3.3 Staff must collate and retain evidence to demonstrate their compliance with MCS' Procurement Policy. Such evidence must be retained for a minimum of 7 years and be made available on request for audit purposes.

4. Tendering Procedure without Framework Agreements

The trust will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below.

4.1 Create a specification - a specification document will set out what suppliers need to understand what we are looking to buy, including the quality, quantity and delivery date

4.2 Assess the market – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers

4.3 Check the school's position in relation to OJEU procurement thresholds

4.4 Develop a service level agreement (SLA) – if necessary an SLA sets out the standards of service expected from a supplier. Some suppliers may have their own SLAs, which the trust will consider using on a case-by-case basis

4.5 Develop a contract – a contract will include terms and conditions, a contract management plan and an exit strategy

4.6 Reduce the number of bids – to reduce the number of bids the trust needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire

4.7 Establish how we will assess quotes – we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines cost and quality

4.8 Create a timeline for the tender process – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract

4.9 Prepare an invitation to tender – this will include:

- A covering letter with a timeline for the process
- Instructions on how suppliers can ask clarification questions and submit their tender
- The specification
- A pricing schedule
- Any SLA requirements
- The contract's terms and conditions
- Contract management requirements (see 'develop a contract' above)
- Award criteria, including the scoring system and any weightings
- If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services

4.10 Advertise the contract – the contract will be advertised where suppliers are likely to look, such as:

- The Official Journal of the European Union (OJEU) – this is a requirement if the contract is over the EU procurement threshold
- The government's Contracts Finder service
- Local or national newspapers
- Education publications or websites
- Trade magazines

4.11 Run the tender process and provide clarifications

4.12 Evaluate tender responses – at least 2 people will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept

4.13 Notify suppliers and award the contract

4.14 Finalise the contract (and advertise the award, if the contract was advertised in Contracts Finder or the OJEU)

4.15 Abandoning the tender process – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible

5. Framework Agreements

5.1 Where possible, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a competitive tender process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.

5.2 Depending on the framework we choose, we will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded.

6. Monitoring arrangements

This policy will be reviewed **every 2 years** and when procurement thresholds change. At every review, it will be approved by the full governing board.

7. Links with other policies

This policy links to the following policies and procedures:

- Finance

Appendix 1

Delegated Authority Limits and Thresholds Ex VAT

Contract Limits	
Operations Manager	£15000
Headmistress	£15000 - £50000
Board of Governors	£50000 +
Write Offs / Disposals	
Operations Manager	£500
Headmistress	£500- £10000
Board of Governors	£10000 +
Purchase Order (PO) Approval	
Head of Department	£100
Operations Manager	£100 - £10000
Headmistress	£10000 - £50000
Board of Governors	£50000+
Ordering Procedures	
Trust approved preferred supplier	Under £5000
Two quotes from preferred suppliers Three written quotes	£5000 - £15000
	£15000 to OJEU Threshold
Tendering procedure	OJEU Threshold +

Approval by Governing Body and Review Date

Signed: _____

Chidi Amadi, Chair of the Governing Body